



Chambers Ireland Submission to the HIA in response to the Consultation Paper on Risk Equalisation in the Irish Private Health Insurance Market

Chambers Ireland welcomes the Health Insurance Authority's Request for submissions on Risk Equalisation in the Irish Private Health Insurance Market.

This submission concentrates on the high level issues arising which we believe merit the attention of the HIA.

At the outset it is important to note that Chambers Ireland is fully supportive of the need for competition in Health Insurance provision. As a principle, we also support the need for equality of the regulatory regime between all market participants.

Our main concern is with regard to the cost to business of providing health insurance and the need for proper competition in the context of a sustainable market. This matter is particularly important in the context of rising health costs generally in terms of treatments, demographics and the wider costs of healthcare in Ireland.

We believe that the Risk Equalisation Scheme (RES), as currently drafted, is a blunt instrument for achieving these goals. In this context, we are concerned that the RES could drive up costs and limit switching choices for business consumers.

There may also be scope for alternative strategies being investigated that could achieve the same aim without leading to premium increases/changes such as structural changes within the market that the Minister for Health noted when she announced the RES in May 2010¹. (These could include exploring the rebalancing of the risk on insurers' books i.e. changing and sharing out the customer profiles across the other players in the market).

Chambers Ireland supports the need for certainty and clarity on the issues arising from the currently scheduled retrospective payments arising from the proposed RES.

¹ See: <http://www.dohc.ie/press/releases/2010/20100527.html?lang=en>

Finally, we also believe that in the context of a regulatory regime based on equality of treatment for all participants, that there is scope for consolidation of the regulatory cost burden of payment to both the HIA and the Financial Regulator by some market participants where as others only make a single payment to the HIA.

Chambers Ireland
27th August 2010